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ATTENTION ACTIVE LICENSEES: All current active licenses should have an expiration date of either Dec. 31, 2009 or Dec. 31, 2010. Please check your license certificate to ensure that it is valid.

The SD Real Estate Commission has posted on its website a list of individuals whose active licenses have expired or were placed on inactive status effective January 1, 2009.

This list includes those that were due to renew their active licenses in 2008 but did not return their renewal forms, as well as licensees placed on inactive status due to the lack of Errors & Omissions Insurance or completion of the continuing education requirements.

Reminder: Licensees who are on inactive status can be subject to disciplinary action for conducting real estate activities, as well as licensees who associate with them!



From the Director's Desk

As the year has come to a close, I'd like to reflect back to some of the happenings that took place in 2008, and what the Commission is looking forward to in 2009.

The Commission appointed a task force to revise eight of its prescribed forms. These individuals were from all over the state and represented your industry with utmost professionalism. It was indeed a pleasure working with them.

The Commission approved a grant to Prairie View Prevention for the production of a methamphetamine awareness video specifically directed toward real estate professionals. Once produced and distributed, this video can serve as a training tool at your staff meetings or when associating with a new licensee.

For those of you who manage vacation rentals, new legislation went into effect on July 1st that relates to these types of properties. To check if any of your vacation properties fall under the definition of a "vacation rental establishment" that would require a lodging license, please contact the South Dakota Department of Health.

The Commission members and staff attended various national seminars throughout the year. The Commission holds membership in the following associations: South Dakota Association of REALTORS®, Association of Real Estate License Law Officials, Real Estate Educators Association and National Auctioneer License Law Officials Association. These are all organizations that directly affect the real estate industry in South Dakota. By attending meetings hosted by professional organizations, the Commission keeps abreast of current real estate trends and issues that better enables the Commission to carry out its mission.

This past year saw several jurisdictions canceling reciprocal agreements. This appears to be a trend

across the nation because of the concern of licensees crossing jurisdictional borders who are not knowledgeable of local regulations.

Also in 2008, the Commission's Sioux Falls office moved to a new office located at 300 S. Sycamore. Eileen Fischer became the Commission's chair with Dennis Eisnach as vice-chair.

Recently, I've been receiving calls regarding sales tax on commissions when dealing with REO's. In these types of transactions, a South Dakota prescribed listing agreement is not used. Sales tax is not addressed in that agreement and the seller is refusing to pay the sales tax. Therefore, it has become the responsibility of the licensee to cover the sales tax and remit it to the Department of Revenue and Regulation. The Department is working on an informational pamphlet regarding sales tax issues to assist you.

Also, I've been receiving reports about licensees not disclosing their license status to potential buyers when selling their own properties. At first contact with a consumer, the licensee must disclose this fact.

Looking ahead to 2009, the Commission will be keeping a close eye on legislation being proposed in the next legislative session. There will be several bills brought in by the Commission and the South Dakota Association of REALTORS®, so be sure to watch for legislative updates.

Due to the restrictions policy on major state purchases, the Commission's plan to move forward with on-line services for its licensees is on hold. However, the staff will continue to research this project so when the restrictions are lifted, the Commission can move forward with this endeavor.

As those of you who are on active status know, the 2009 errors and omissions insurance premium increased by \$10 to \$140. This is the same premium amount we saw in 2007 and prior years.

Wishing you all the very best for 2009,

DjN

New Licensees

The SDREC would like to welcome the following new licensees.

Broker

Claggett, Dave L – Spearfish
Larson, Debra A – S. Sioux City, NE
May, John – Oak Brook, IL
Sandrini, Shawnda K – Newcastle, WY
Solay, Kurt E – Rapid City
Zoucha, Tom A – Elkhorn, NE

Broker Associate

Abel, Teri L – Renner
Allen, Heather M – Belle Fourche
Benson, Dianne R – Sioux Falls
Buck, Rebecca A – Brandon
Donnell, Andrew B – Hot Springs
Drake, Brad A – Watertown
Fillinger, Sandra J – Newcastle, WY
Kasselder, Dustin C – Sioux Falls
Marshall, Cindy L – Rapid City
Moen, Larry L – Sisseton
Muth, William S – Orient
Perino, James "Jim" H – Newcastle,

WY

Uhl, Jonathan J – Hot Springs
Waldner, Ruth – Tea
Walter, James D – Rapid City

Property Manager

Heida, Lisa – Rapid City
Livingston, Lindsey – Hill City
Simpson, Valerie S – Rapid City

Registered Home Inspector

Bonefield, Peter J – Sturgis
Phillips, Ryan S – Volga

Residential Rental Agent

Avair, Mary H – Harrisburg
Fox, Michael C – Vermillion
Gordon, Julie A – Sioux Falls
Haverhals, John – Sioux Falls
Kruger, Marlania T – Sioux Falls
Pena, Lucille R – Mission
Rapp, Nicole M – Pierre
Timmons, Paula M – Sioux Falls

Salesperson

Todd, Sarah R – Scottsdale, AZ

Timeshare Agent

Kilpatrick, Terry A – Rapid City

HUD Finalizes RESPA Reforms

On November 17, 2008 the U.S. Department of Housing and Urban Development (HUD) published the final version of its long-awaited and much-embattled RESPA reform rules. Initially issued for public comment in March, the new rules are intended to simplify and improve mortgage settlement disclosures under RESPA so that consumers will be better protected from unnecessarily high mortgage loan and refinance fees.

Principle Features of the Final Rules

Some of the more significant aspects of the final rules, including the recent HUD modifications, include:

- HUD will require mortgage lenders and brokers to provide borrowers with an easier-to-read, standard GFE that will clearly answer the key questions relating to mortgage loans, such as;

- What is the term of the loan?
- Is the interest rate fixed or can it change?
- Is there a pre-payment penalty if the borrower chooses to refinance at a later date?

- Is there a balloon payment?
- What are total closing costs?
- The proposed "closing script" requirement was replaced with a new page on the HUD-1 Settlement Statement that allows consumers to compare their final closing costs and loan terms with those listed on the GFE. Each designated line on the final HUD-1 will now include a reference to the relevant line on the GFE form.

- The new GFE form was reduced from four to three pages, including an instructional page to help borrowers better understand their loan offers. The GFE will consolidate closing costs into major categories to prevent junk fees and display total estimated settlement charges prominently on the first page, so that consumers can easily compare loan offers.

- HUD will specify the closing costs that can and cannot change at settlement. If a fee changes, HUD will limit the amount it can change within certain tolerances.

- HUD will require lender payments to mortgage brokers (yield

spread premiums) to be disclosed in a more meaningful way.

- Loan originators will be required to provide borrowers with their GFE three days after the loan originator's receipt of all necessary information. To facilitate shopping, loan originators cannot require verification of GFE information (tax returns, etc.) until after the applicant makes the decision to proceed.

- HUD will allow lenders and settlement service providers to correct potential violations of RESPA's new disclosure and tolerance requirements. Lenders and settlement service providers will now have 30 days from the date of closing to correct errors or violations and repay consumers any overcharges.

"Required Use" and Affiliated Business Arrangements

The final RESPA reforms will also change the definition of the term "required use" as it applies to the regulation of affiliated business arrangements. RESPA currently prohibits persons from giving or receiving a thing of value, pursuant to an agreement for the referral of business incident to a settlement service in a covered transaction. However, under certain conditions, RESPA has allowed referrals to affiliated businesses and the receipt of a benefit from an ownership interest in those businesses. One of the conditions prohibits "required use", defined as a situation in which a person must use a particular provider of a settlement service in order to have access to some distinct property or service. During the public comment period, HUD made technical changes to its initial proposed definition of "required use". HUD says that the modifications more accurately reflect its intent that economic disincentives that are used to improperly influence a consumer's choices are as problematic under RESPA as are incentives that are not true discounts. The change to the definition of "required use" will not eliminate the ability to offer legitimate consumer discounts. Also, HUD does not interpret RESPA as preventing a settlement service provider or anyone else from offering a discount or other thing of value directly to the consumer. However, RESPA and the final HUD rules limit tying such a discount to the use of an affiliated settlement service provider.

Implementation Schedule

There will be a one year implementation period for the new standard GFE and HUD-1 forms before the mandatory compliance date of January 1, 2010. Use of the new forms will be allowed at any time prior to 2010, but will trigger responsibility for compliance with all of the related new regulations. Other aspects of the rules, including "required use" amendments, will take effect on January 16, 2009.

HUD is expected to issue various future guidance statements regarding the application of the new rules.

South Dakota Real Estate VIEW

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Articles by outside experts express the author's particular viewpoints. These opinions are not necessarily shared by the Commission, nor should they be mistaken for official policy. The articles are included because they may be of interest to the readers.

Disciplinary Action

The following disciplinary actions have become effective since the last report in the newsletter. A Stipulation and Assurance of Voluntary Compliance is a settlement agreement between licensees and the Real Estate Commission and constitutes neither an admission nor a denial of any violation.

Merlyn Grave, Hartford, Broker

Stipulation and Assurance of Voluntary Compliance. Monetary penalty of \$1000 and costs of \$1611.40. Mr. Grave must complete the 15-hour responsible broker course within 12 months in addition to the statutorily required continuing education; Comply with the requirements of 36-21A-80, shall not disperse funds from his Trust Account without compliance with the requirements of the provisions of SDCL 36-21A-80 and shall reconcile his Trust Account at least monthly; Provide a bank reconciliation form to the Commission verifying that he has reviewed and reconciled his Trust Account and provide such a form once every six months for the following eighteen month period; Have an independent audit of his Trust Account in February of 2009 and 2010, and shall thereafter provide to the Commission a hard copy of a report from the auditor regarding whether his Trust Account is reconciled. Alleged violation of SDCL 36-21A-71(34)(8), 36-21A-80, 36-21A-82, 36-21A-130, 36-21A-147 for issuance of insufficient funds check on a trust account, use of trust account funds for impermissible purposes, failure to notify Commission of change in bank account, failure to produce documents during an office audit.

Karen Harden, Sioux Falls, Broker Associate; Dave Anderson, Sioux Falls, Broker. Stipulation and Assurance of Voluntary Compliance. Costs of \$180.00. Ms. Harden must complete 6 hours of education in License Law and 6 hours in Agency Law in addition to the statutorily required continuing education. Alleged violation of 36-21A-71(3)(30)(32), 36-21A-132 for misrepresenting to her sellers that no property condition disclosure statement was needed. Mr. Anderson must complete the 15-hour Responsible Broker course in addition to the statutorily required

continuing education. Alleged violation of 36-21A-79 for responsibility of broker for the real estate activities of his broker associates.



In Memoriam

The SD Real Estate Commission extends its sincerest sympathy to the families and friends of the following licensee who recently passed away:

Patricia Drumeller, Jefferson, SD
Dale Chell, Sioux Falls

Legislation Works to Make South Dakota More "Energy Smart"

By Commissioner Dustin "Dusty" Johnson, South Dakota Public Utilities Commission

According to the American Council for an Energy-Efficient Economy, building energy consumption accounts for almost two-thirds of total U.S. electricity consumption. Improving the energy efficiency of buildings is an attractive target for those looking to make substantial headway in solving South Dakota's energy needs while saving dollars.

South Dakota is one of only five states that does not have a statewide building energy code. As a result, our existing housing stock contains thousands of energy inefficient residential buildings that collectively cost millions of dollars in higher energy usage over the lifetimes of those buildings. Many states have used widespread mandates to make their state more energy efficient, but *South Dakota Energy Smart* – a collaborative of organizations and utility-providers dedicated to making our state more energy efficient – believes there are other, more appropriate, approaches.

South Dakota Energy Smart is proposing legislation that would provide better information to consumers about the buildings they are planning to build or

purchase. Much like the nutritional information on food products or gas mileage labels on new cars, energy efficiency disclosure will empower buyers to make better-informed decisions. This proposal would add basic efficiency questions to the already-existing home disclosure form, and also require some efficiency disclosure for new homes. Homeowners will still be able to build or buy whatever home they like, but they will at least know up front whether or not their new home will be energy efficient.

The recently released "State Energy Efficiency Scorecard" ranked South Dakota 47th in terms of its conservation and efficiency efforts, so there clearly is room for improvement. By my figuring, if South Dakotans used just 5 percent less energy in their homes and businesses, our state would save more than **\$50 million each year**. Energy efficiency is the cheapest, cleanest and most economic development friendly fuel source. The *South Dakota Energy Smart* proposal will work to provide decision-makers with more information about the energy efficiency of the buildings they are building, buying or renting and will add value to efficient buildings.

Johnson was elected to the South Dakota Public Utilities Commission in 2004 and currently serves as the commission's chairman. He also serves as the coordinator for the South Dakota Energy Smart initiative.

Free South Dakota Mortgage Crisis Hotline to Help Residents Facing Financial Difficulties in Making Their Mortgage Payments

Pierre- The Homeownership Education Research Organization (HERO), an affiliate of South Dakota Housing Development Authority (SDHDA), recently announced that a toll-free South Dakota Mortgage Hotline is now available to connect homeowners directly to certified default and foreclosure counselors across the state.

The hotline is targeted to those who are not yet behind in their mortgage payments but fear they will soon not be able to make a payment, those who have missed a mortgage payment, those who have received their notice of foreclosure and those who are presently in foreclosure.

Counselors will provide FREE confidential services to assist the homeowners with a plan to address their mortgage issues. HERO strongly recommends making the call before you are unable to make a payment; as timing has an effect on the positive outcome of counseling.

The South Dakota Mortgage Crisis Hotline is separated by the Missouri River into the West River Foreclosure hotline, 1-877-832-0161 and the East River Foreclosure hotline, 1-877-832-0163. The hotline is available for all South Dakota residents.

"We urge South Dakotans to make the call now to find the best options for keeping their home and not losing it to foreclosure," said Mark Lauseng, SDHDA Executive Director.

This hotline was made possible through funding from Citi Foundation. Additional information about the hotline, providers of HERO approved education and its networks of HUD Housing Counseling agencies is available through the SDHDA website. For more information, visit www.sdhda.org.

Continuing Education Corner

By Karen Callahan, Education Director

As a new year ushers in, the saying often goes "out with the old and in with the new". But for the real estate industry, perhaps a more apt philosophy would be "blend in the old with the new".

The nation's economic woes have brought about regulatory changes at the federal level, especially when it comes to lending issues. Our state legislative session will soon be underway and the decisions made by our lawmakers will likely have some impacts our own license laws.

Licensees to stay abreast of all of these changes and understand how these

changes fit with what's currently in place. It is important not only for licensees to ensure they remain in compliance with any new regulations, but also be able to properly advise their clients on what these changes will mean for them.

The internet is a wonderful resource for information and updates. The website of the SD Legislative Research Council - <http://legis.state.sd.us/index.aspx> offers a user-friendly search engine for proposed bills, allows users to set up accounts to track specific bills as they progress through the legislative session, and broadcasts live audio feeds of senate and house hearings.

Federal government entities such as HUD, the Federal Trade Commission, the EPA and others offer a wealth of information for industry professionals and many now provide RSS feeds directly to your email inbox with all of the latest news releases!

The information is readily available, easily accessible and, it's free! Start the new year off with good habits and stay informed!



Fraud Alert From the U.S. Treasury Department

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The Department of Treasury, Office of Inspector General (OIG) is investigating incidences whereby individuals are using fraudulent promissory notes and bonds to attempt to purchase vehicles and real estate. The OIG has been notified of numerous occurrences throughout the United States where fraudulent documents were used to attempt to purchase vehicles. Treasury/OIG has also been made aware of incidents in Arizona and Colorado where similar fraudulent documents were used to attempt to purchase homes and an office building.

The fraudulent documents are not referenced as "U.S. Treasury" bonds or promissory notes. They are referenced as "personal promissory note" and "private

offset bond"; however, they have the name of Henry Paulson, Secretary, U.S. Treasury on the face of the documents.

Treasury OIG has learned that the only type of hardcopy bond issued by the U.S. Treasury that a citizen can purchase today is a savings bond. All other bonds are electronic and the buyer would not receive a hardcopy document. Finally, Paulson's name should not appear on any document listed as a private bond or promissory note since these items are not backed or guaranteed by the U.S. Treasury.

If you have any information regarding this type of fraudulent activity, we request that you contact the Department of Treasury, Office of Inspector General (OIG), Office of Investigations Hotline at 1-800-359-3898 or email Hotline@oig.treas.gov. Realtors approached by a person giving these or similar circumstances should consider the potential for fraud. Should you suspect fraudulent activity, it is recommended that you contact the OIG Hotline and your local law enforcement agency immediately. Additional information regarding this and other similar fraud schemes can be found at the following Department of Treasury web site:"

<http://www.treasurydirect.gov/instit/satreg/fraud/fraud.htm>.



The SD Real Estate Commission Office will be closed on the following days:

Martin Luther King, Jr. Day –
Monday, January 19

APPRAISER UPDATE

This section of the SD Real Estate Review is the responsibility of the SD Dept. of Revenue and Regulation Appraiser Certification Program. Articles are printed here to communicate pertinent information to those appraisers who receive this newsletter and are licensed under the Certification Program. Inquires can be directed to Sherry Bren, Executive Director, 445 E. Capitol, Pierre, SD 57501, 605-773-4608.

Appraiser Certification Program Mission – Purpose – Intent

The Appraiser Certification Program was implemented July 1, 1990, pursuant to enactment of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) by Congress. The mission of the Program is to certify, license and register appraisers to perform real estate appraisals in the state of South Dakota pursuant to Title XI (FIRREA). The purpose of the Program is to examine candidates, issue certificates, investigate and administer disciplinary actions to persons in violation of the rules, statutes and uniform standards, and approve qualifying and continuing education courses. Title XI intends that States supervise all of the activities and practices of persons who are certified or licensed to perform real estate appraisals through effective regulation, supervision and discipline to assure their professional competence.

Appraiser Certification Program Advisory Council

Council members provide recommendations to the Secretary of the Dept. of Revenue and Regulation in the areas of program administration in order to sustain a program that is consistent with Title XI. The Council meets quarterly in public forum. See the website for meeting information. www.state.sd.us/appraisers

Advisory Council Appointments

James Dunlap, State-Certified General Appraiser from Sioux Falls and Craig Sommers, State-Certified General Appraiser from Aberdeen have each accepted a second term appointment to the Advisory Council by Paul Kinsman, Secretary of the

Dept. of Revenue and Regulation effective Jan. 1, 2009. Peggy Bergman, State-Certified Residential Appraiser from Rapid City has accepted a first term appointment by Secretary Kinsman effective Oct. 17, 2008. The Department appreciates these appraisers' willingness to serve on the Council.

Important Notice Appraiser Certification Program Administrative Rules (20:14) Regarding Appraisers Effective January 1, 2009

Key revisions to the Administrative Rules regarding appraisers are available at www.state.sd.us/appraisers or you may request a copy from Sherry Bren, Executive Director of the Appraiser Certification Program, 445 E. Capitol Ave., Pierre, SD 57501 – Phone: 605.773.4608 or E-mail: Sherry.Bren@state.sd.us.

The rules address the following:

- Identification of appraiser classifications that may supervise state-registered appraisers.
- Responsibilities of the state-registered and supervising appraiser.
- Requirements of a supervising appraiser.
- Requirement for initial application and renewal for supervisor endorsement.
- Authority to accept case studies or practicum courses approved by other state appraiser regulatory agencies.
- Adopt educational requirements for state-registered, state-licensed and state-certified residential appraisers for upgrade to each higher classification as prescribed by the Appraiser Qualifications Board.
- Remove time limit for education credit for state-registered appraisers.
- Set application and renewal fees for supervisor endorsement.

- Include failure to meet supervisory responsibilities as grounds for disciplinary action against supervising appraisers by the secretary.

- Authority to accept courses if approved in another state.

- Require a training course for supervisors and state-registered appraisers.

New Licensees – Oct./Nov.

Shannon M. Luepke, State-Registered – Duluth, MN

Amy M. Rawson, State-Registered – Louisville, KY

William D.O. Spence, State-Certified General – Louisville, KY

David J. Mensch, State-Certified General – Sioux Falls, SD

Upgrades – Oct./Nov.

Robert Gehm, State-Certified General

David Lawrence, State-Licensed

Corey Wattenhofer, State-Certified Residential

Sandra Gresh, State-Certified General

Jonathan Hatch, State-Licensed

Ryon Rypkema, State-Certified General

Craig Stenson, State-Certified General

Information Regarding Disciplinary Actions

Public information regarding disciplinary action taken against an appraiser is available upon written request to the Department of Revenue and Regulation, Appraiser Certification Program, 445 East Capitol Avenue, Pierre, SD 57501 or e-mail – Sherry.Bren@state.sd.us. Include in the request for information the name of the appraiser and the appraiser's city and state of residence. (Disciplinary action may include denial, suspension, censure, reprimand, or revocation of a certificate by the department. (ARSD 20:14:11:03))

Important Notice Appraiser Certification Program Supervisors & State- Registered Appraisers

On January 1, 2009 new rules will be effective for supervisor appraisers and state-registered appraisers being supervised. See our Website at www.state.sd.us/appraisers for changing requirements. It is important for you to review the changes to become familiar with the new requirements.

After January 1, the new Appraiser Supervisor Endorsement (for supervisors) or the Application to Register Supervisor Appraiser/Supervisor Agreement (for state-registered appraisers) **must be submitted and approved** before any supervision occurs.

Both supervisors and state-registered appraisers are responsible for affirming the Department's supervisor/state-registered applicant registration. For confirmation, see the Supervisor Log link on our Website.

Both the supervisor and state-registered appraiser must attend and successfully complete a Department approved training course **before or within 90 days** after supervision begins. A reasonable extension for completing the training course may be granted by the Secretary upon written request. Verification of successful completion must be submitted to the Department.

The first offering of the training course (SD Supervisor Program Course) will be held on January 23, 2009 from 8 a.m. till 12:00 Noon, at the Ramada and Suites (formerly Holiday Inn), Mitchell, South Dakota. Four hours of continuing education credit is awarded. Go to www.paasd.com and click on "Education" for on-line registration or for further information contact Bev Luke, Professional Appraisers Association of South Dakota at (605) 716-9011.

If a supervisor has not actively supervised or has not been an approved supervisor within the past three years after the training course is successfully completed, he/she must complete the course again.

SUPERVISOR:

Supervisors must be State-Licensed, State-Certified Residential, or State-Certified General appraisers who have satisfied the

requirements of a supervising appraiser. This includes completion and submission of a Supervisor Endorsement form, a nonrefundable fee of \$150.00, and completion of the training course for supervisors and state-registered appraisers.

Supervisors will be required to renew their supervisor status yearly on a renewal application form provided by the Secretary along with the prescribed \$100 renewal fee.

A maximum of three state-registered appraisers may be supervised at one time.

STATE-REGISTERED APPRAISER:

State-Registered appraisers who wish to have a supervisor must complete and submit an Application to Register Supervisor Appraiser/Supervisor Agreement.

State-Registered appraisers must maintain an Appraisal Experience Log (Log) on a form provided by the Secretary of the Department (see sample log on our Website) that includes each appraisal performed. Separate logs must be maintained for each supervising appraiser.

You must notify the Department in writing when you cease to be associated with a supervisor.

Important Notice Appraiser Certification Program Upgrade Education Requirements

Qualifying Education Interpretation for upgrade of a certificate issued by the Appraiser Qualifications Board of the Appraisal Foundation adopted by the Appraiser Certification Program effective January 1, 2009.

A state-registered appraiser may satisfy the educational requirements for the state-licensed appraiser classification by completing the following additional educational hours:

(1) Residential market analysis and highest and best use – 15 hours; (2) Residential appraiser site valuation and cost approach – 15 hours; (3) Residential sales comparison and income approaches – 30 hours; and (4) Residential report writing and case studies – 15 hours.

A state-registered appraiser may satisfy the appraiser educational requirements for the

state-certified residential appraiser classification by completing the following additional educational hours:

(1) Residential market analysis and highest and best use – 15 hours; (2) Residential appraiser site valuation and cost approach – 15 hours; (3) Residential sales comparison and income approaches – 30 hours; (4) Residential report writing and case studies – 15 hours; (5) Statistics, modeling and finance – 15 hours; (6) Advanced residential applications and case studies – 15 hours; and (7) Appraisal subject matter electives – 20 hours.

A state-licensed appraiser may satisfy the appraiser educational requirements for the state-certified residential appraiser classification by completing the following additional educational hours:

(1) Statistics, modeling and finance – 15 hours; (2) Advanced residential applications and case studies – 15 hours; and (3) Appraisal subject matter electives – 20 hours.

A state-registered appraiser may satisfy the appraiser educational requirements for the state-certified general appraiser classification by completing the following additional educational hours:

(1) General appraiser market analysis and highest and best use – 30 hours; (2) Statistics, modeling, and finance - 15 hours;

(3) General appraiser sales comparison approach - 30 hours; (4) General appraiser site valuation and cost approach - 30 hours;

(5) General appraiser income approach - 60 hours; (6) General appraiser report writing and case studies - 30 hours; and (7) Appraisal subject matter electives - 30 hours.

A state-licensed appraiser may satisfy the appraiser educational requirements for the state-certified general appraiser classification by completing the following additional educational hours:

(1) General appraiser market analysis and highest and best use - 15 hours; (2) Statistics, modeling, and finance - 15 hours; (3) General appraiser sales comparison approach - 15 hours; (4) General appraiser site valuation and cost approach - 15 hours; (5) General appraiser income approach - 45 hours; (6) General appraiser report writing and case studies - 15 hours; and (7) Appraisal subject matter electives - 30 hours.

A state-certified residential appraiser may satisfy the appraiser educational requirements for the state-certified general appraiser classification by completing the following additional educational hours:

(1) General appraiser market analysis and highest and best use - 15 hours; (2) General appraiser sales comparison approach - 15 hours; (3) General appraiser site valuation and cost approach - 15 hours; (4) General appraiser income approach - 45 hours; and (5) General appraiser report writing and case studies - 10 hours.

USPAP Q & A

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Adequacy of Workfile Documentation

Question: In the course of preparing my appraisals, I often research Multiple Listing Service (MLS) and other data sources. I use this information to develop conclusions regarding neighborhood value ranges and market trends. Is it necessary for me to include copies of this information in my workfile? Alternatively, can I simply reference the data sources in my workfile?

USPAP Applicability in Valuation for Financial Reporting

Question: I am an appraiser in a firm that performs valuations of business interests and assets (both tangible and intangible) for financial reporting purposes in accordance

with Financial Accounting Standards Board (FASB) standards. Does USPAP apply to valuations for financial reporting purposes?

Assignment Involving Analysis of Leases

Question: An investment firm hired an appraiser to abstract leases, input the data into a lease-by-lease analysis software program, estimate market rents and expenses, estimate the discount rate, run ten discounted cash flows, and provide a value using the Income Capitalization Approach. The appraiser completed the assignment, including providing a conclusion of market value, and delivered the electronic lease-by-lease analysis file to the client. Should this service comply with USPAP?

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Copyrighting an Appraisal Report

Question: Does registration of a copyright on an appraisal report with the U.S. Copyright Office violate the confidentiality provisions of USPAP?

"Allocation" of Value Opinions

Question: I often perform real property appraisal assignments that include not only real property but also personal

property and/or intangible items (examples include property types such as hotels and restaurants).

Often times, my clients will request that I separate or "allocate" a portion of the defined value opinion to these non-real property components. These requests raise the following questions:

1) What exactly is the appraiser's USPAP obligation in performing this separation of value?

2) May this "allocation" be accomplished without the appraiser developing an opinion of value in compliance with STANDARD 7 OR 9?

3) Is an allocation considered to be synonymous with an opinion of value or is it the result of a mathematical calculation?

4) There are also occasions when the client does not specifically request separate valuations of non-real property assets, even though they may be present. Is the appraiser still required to value those assets separately?

Answers to the above questions can be found at: www.appraisalfoundation.org.

[For further information regarding USPAP Q&As contact The Appraisal Foundation at: www.appraisalfoundation.org]